



# Negotiation

# Why learn to negotiate?



# Why are people bad negotiators?

## EGOCENTRISM

consider their own experiences as better than they in fact are, and in a themselves-flattering way

## SUSCEPTIBILITY TO BIAS

Being interested in the information that would confirm any beliefs you already hold, and not dispute them

## SATISFICING

settling for less than what you could otherwise have

## BATNA

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An alternative course of action outside of the negotiations

Must correspond to a real and possible set of events in the world, not made up

Reveal if strong, keep hidden if weak

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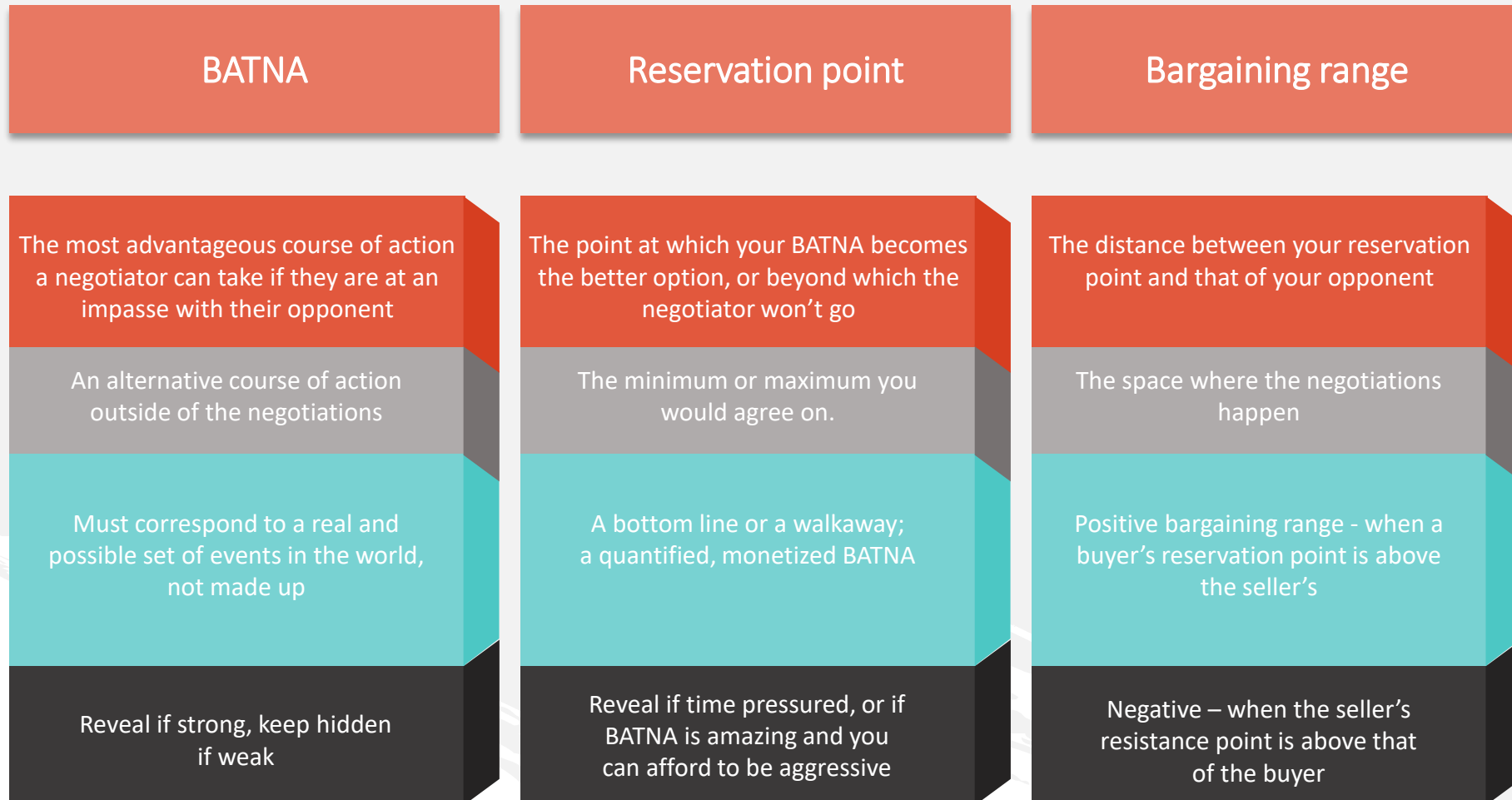
## Reservation point

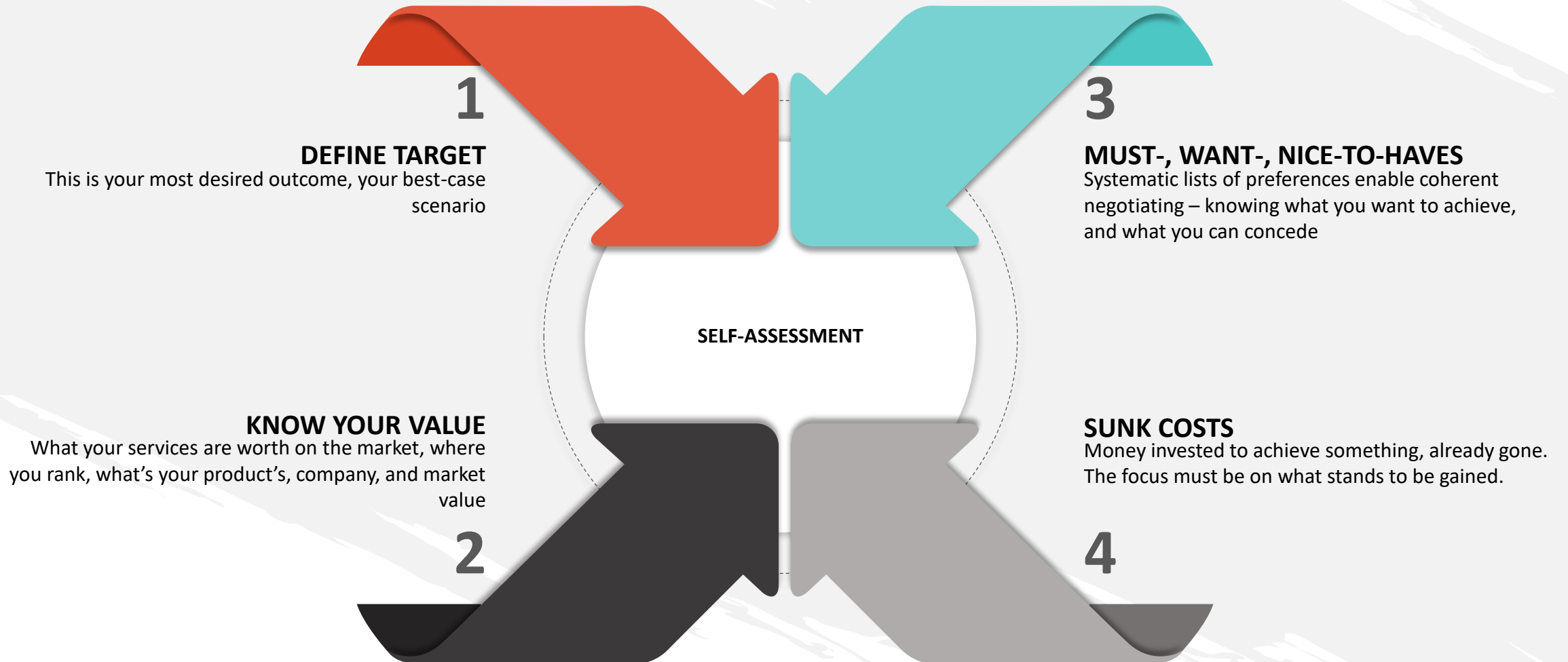
The point at which your BATNA becomes the better option, or beyond which the negotiator won't go

The minimum or maximum you would agree on.

A bottom line or a walkaway; a quantified, monetized BATNA

Reveal if time pressured, or if BATNA is amazing and you can afford to be aggressive





### WHO ARE THEY

Positions, importance, how they are involved, who will be making the decisions

W

### HOW MANY

Determine whether there is only one party you will be negotiating with, or several

H

### YOUR CONNECTIONS

What do you have in common with your opponent

B

### WHAT IS MOST IMPORTANT

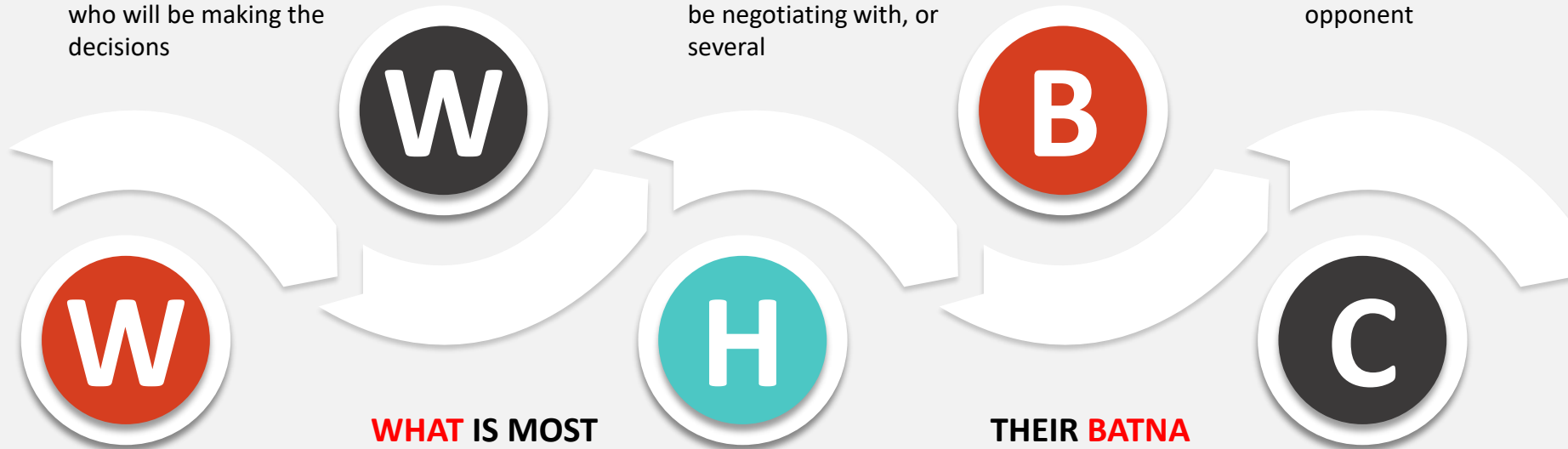
Learn what is open to negotiation and what they are willing to concede, identify the issues

W

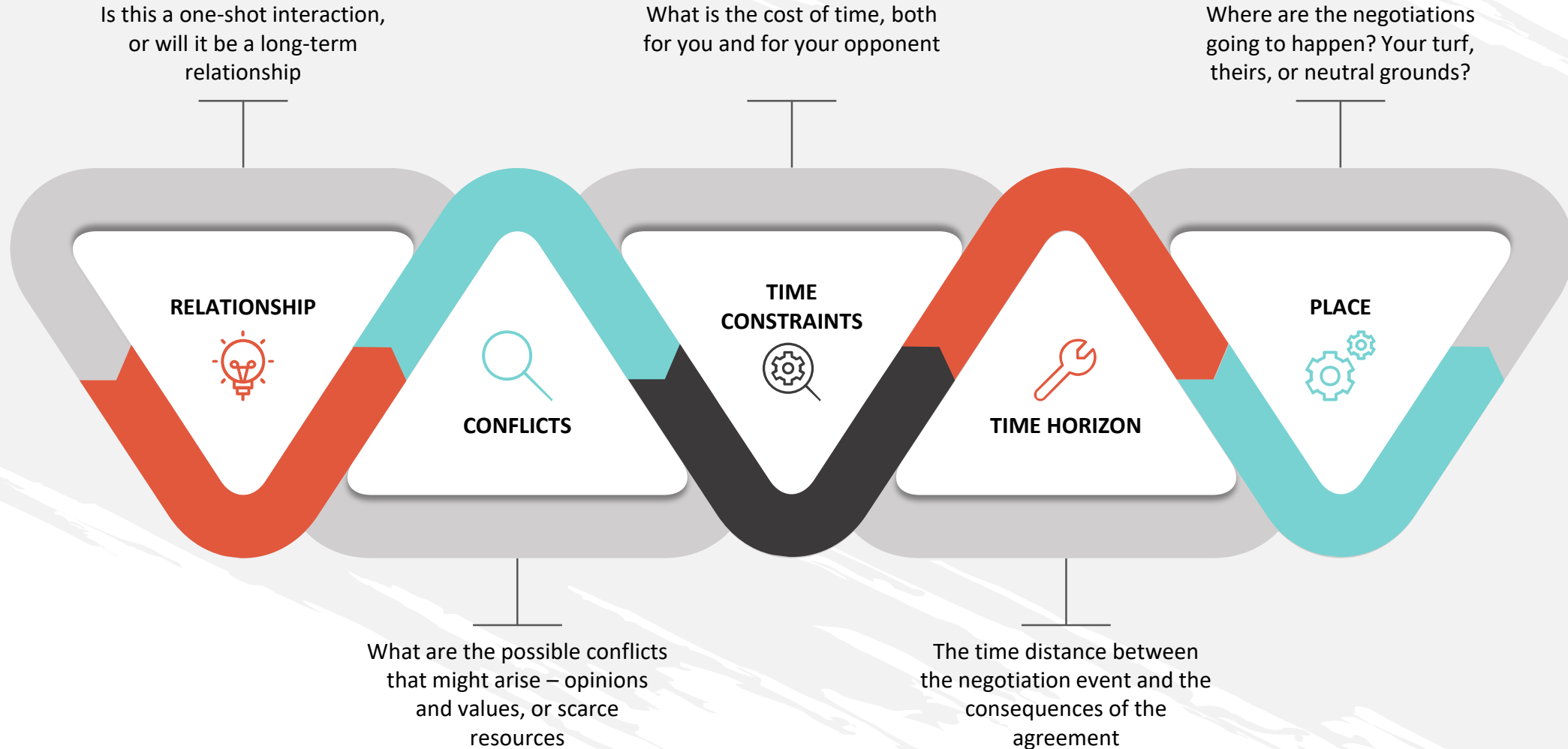
### THEIR BATNA

The most crucial bit of insight you can acquire

C







# Distributive negotiations

Distributing a fixed amount of resources; win-lose

## DISTRIBUTIVE NEGOTIATIONS

The core idea is to distribute a fixed amount of resources. Like money, or the slices of a pie. Also described as a “slicing the pie” approach.

### BARGAINING RANGE

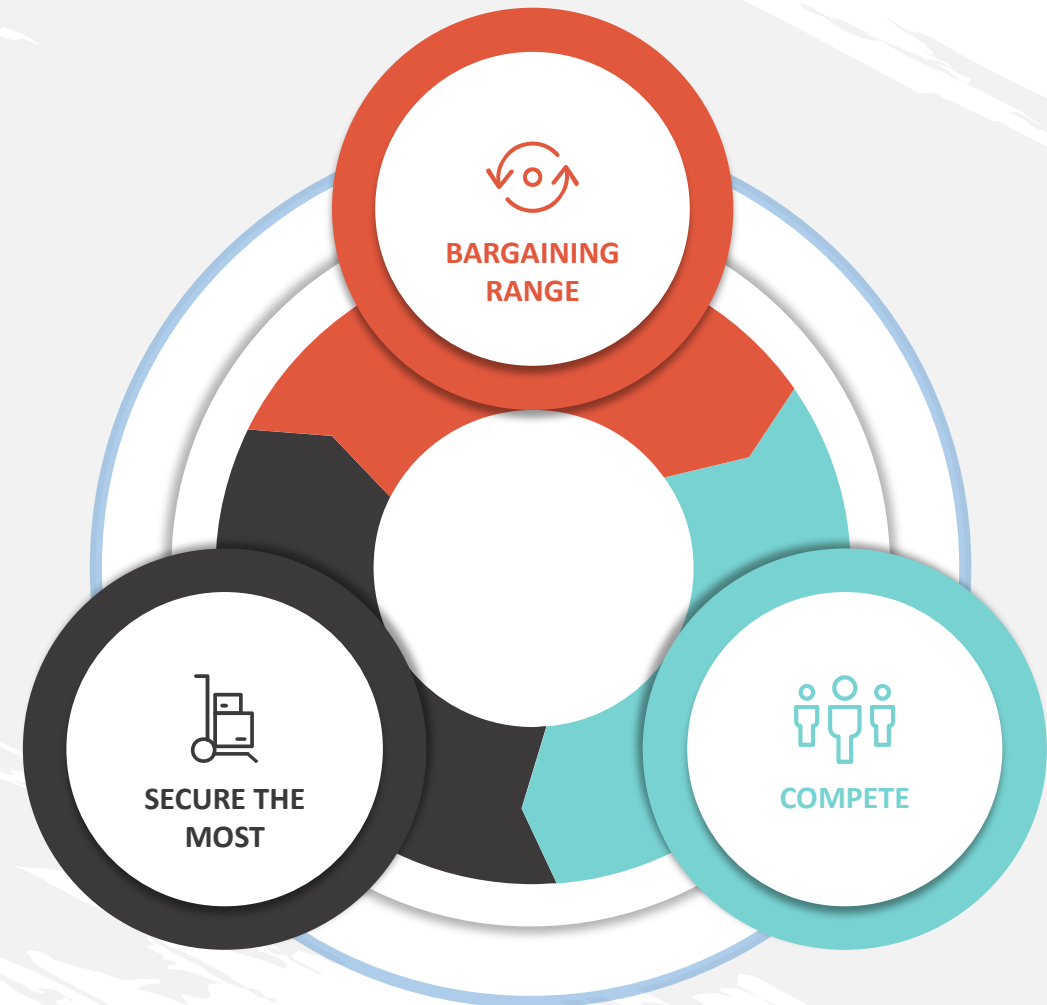
Create an overlap between your reservation point and your opponent's, so the bargaining zone is positive and there is room for negotiations

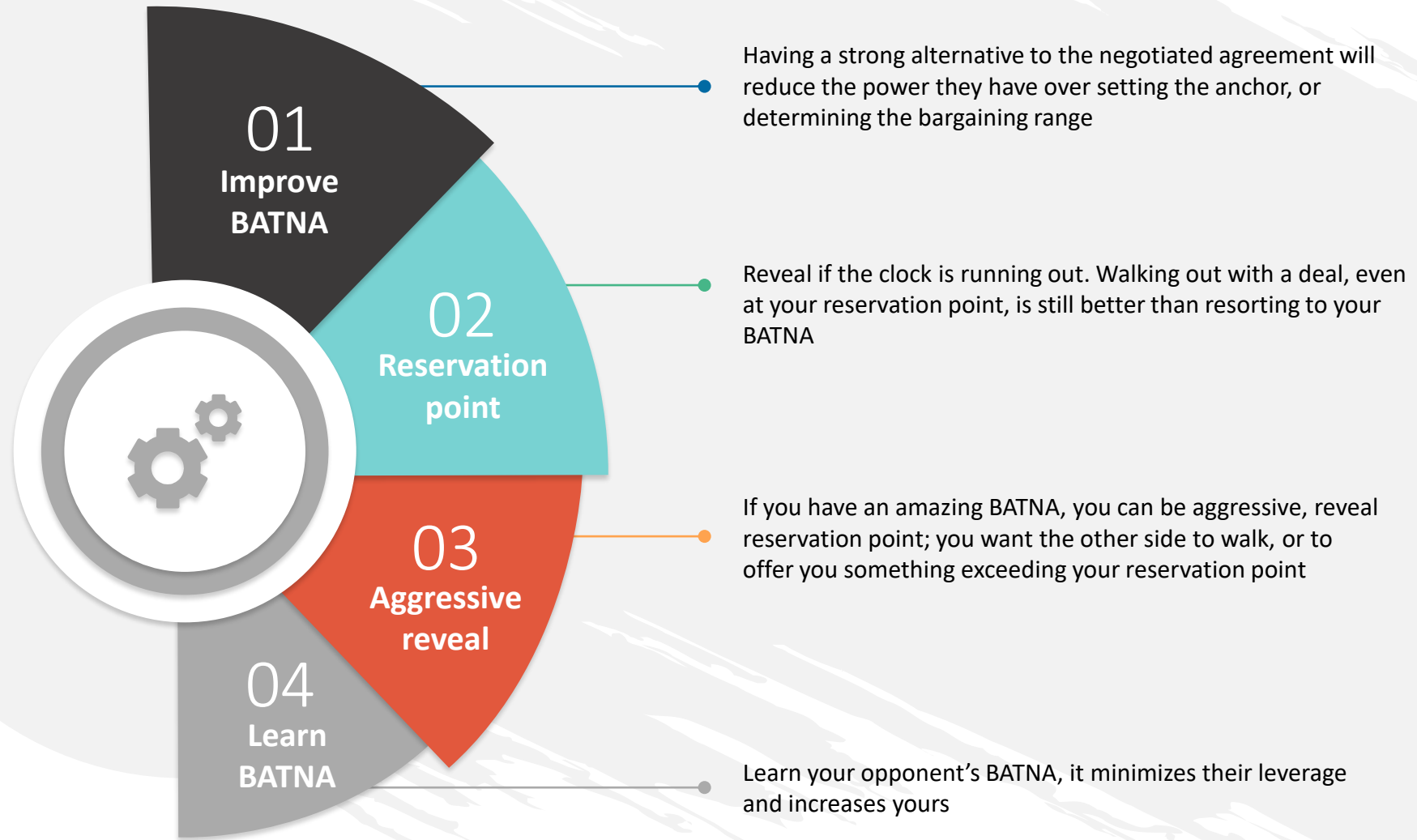
### COMPETE

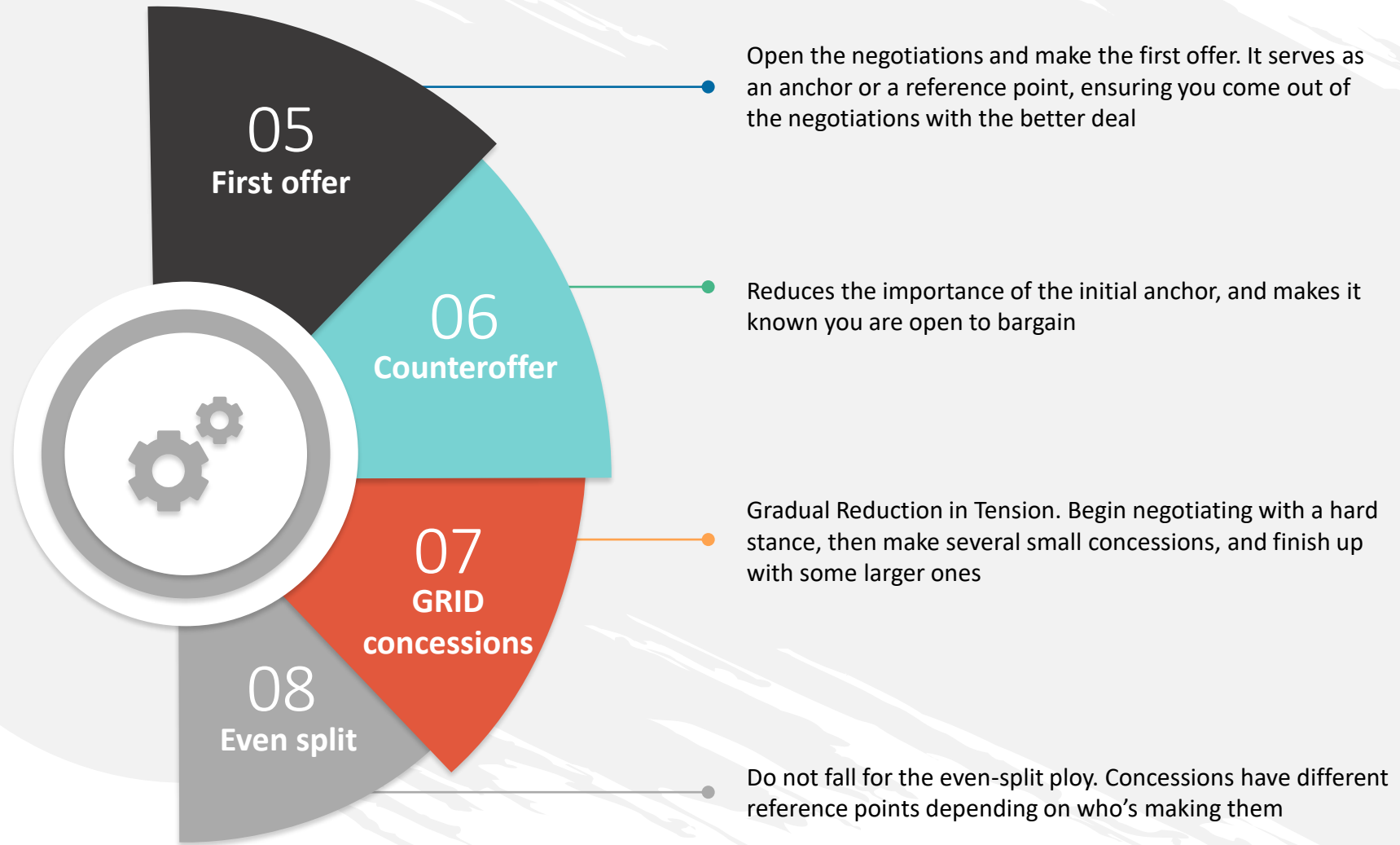
Attempt to claim a lot of the negotiation surplus, so your opponent is left with less. Distributive negotiations are also called zero-sum or win-lose

### SECURE THE LARGEST CHUNK

Secure as much of the bargaining range as you can, reach a resolution closer to your target and your partner's reservation point







# Interest-based negotiations

Creating value for all parties; win-win

## INTEREST-BASED NEGOTIATIONS

Are about learning what your counter-party's needs are, levelling with them, figuring out what they're interested in, to expand the pie of options, and find outcomes that are mutually beneficial

### SEARCH FOR GAINS

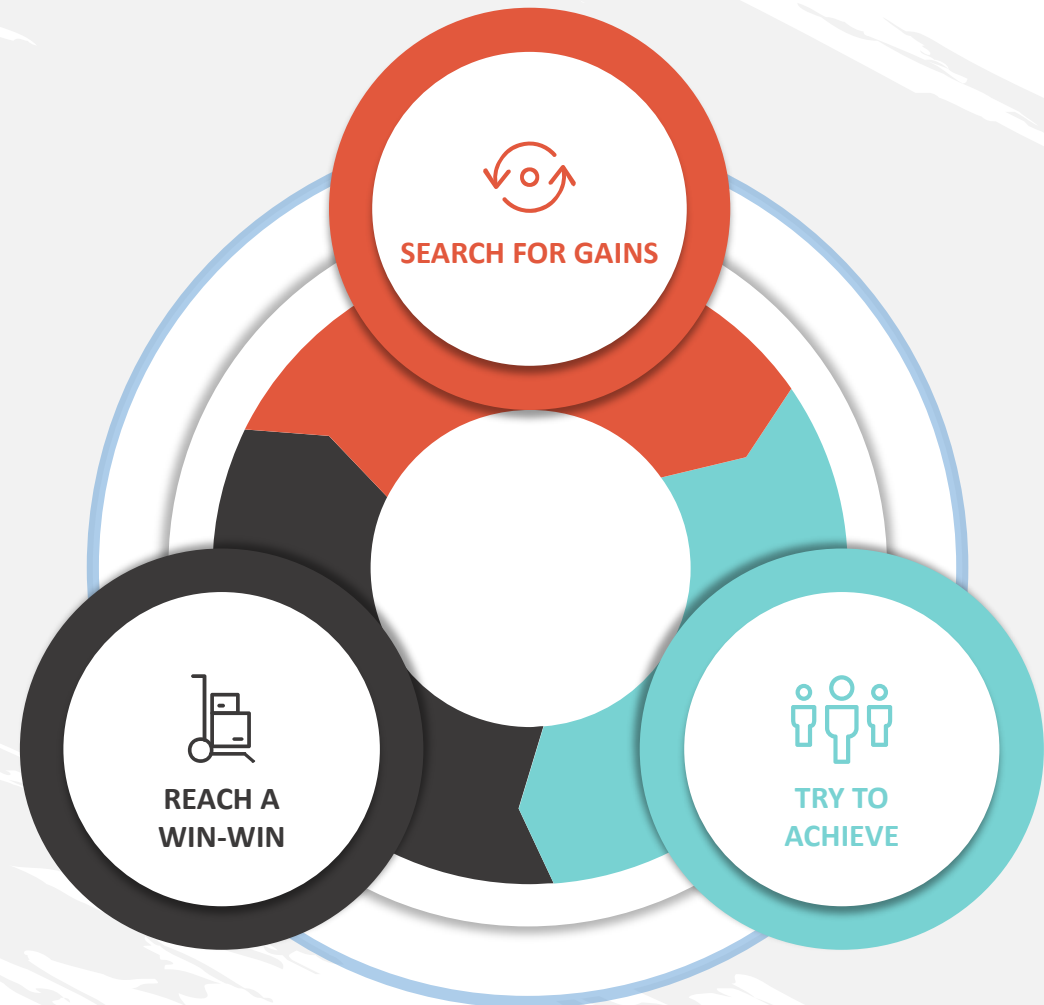
Try to find gains or issues that will be advantageous for all parties. The goal is to satisfy the desires of all parties and create a true win-win opportunity. Expand the pie

### TRY TO ACHIEVE

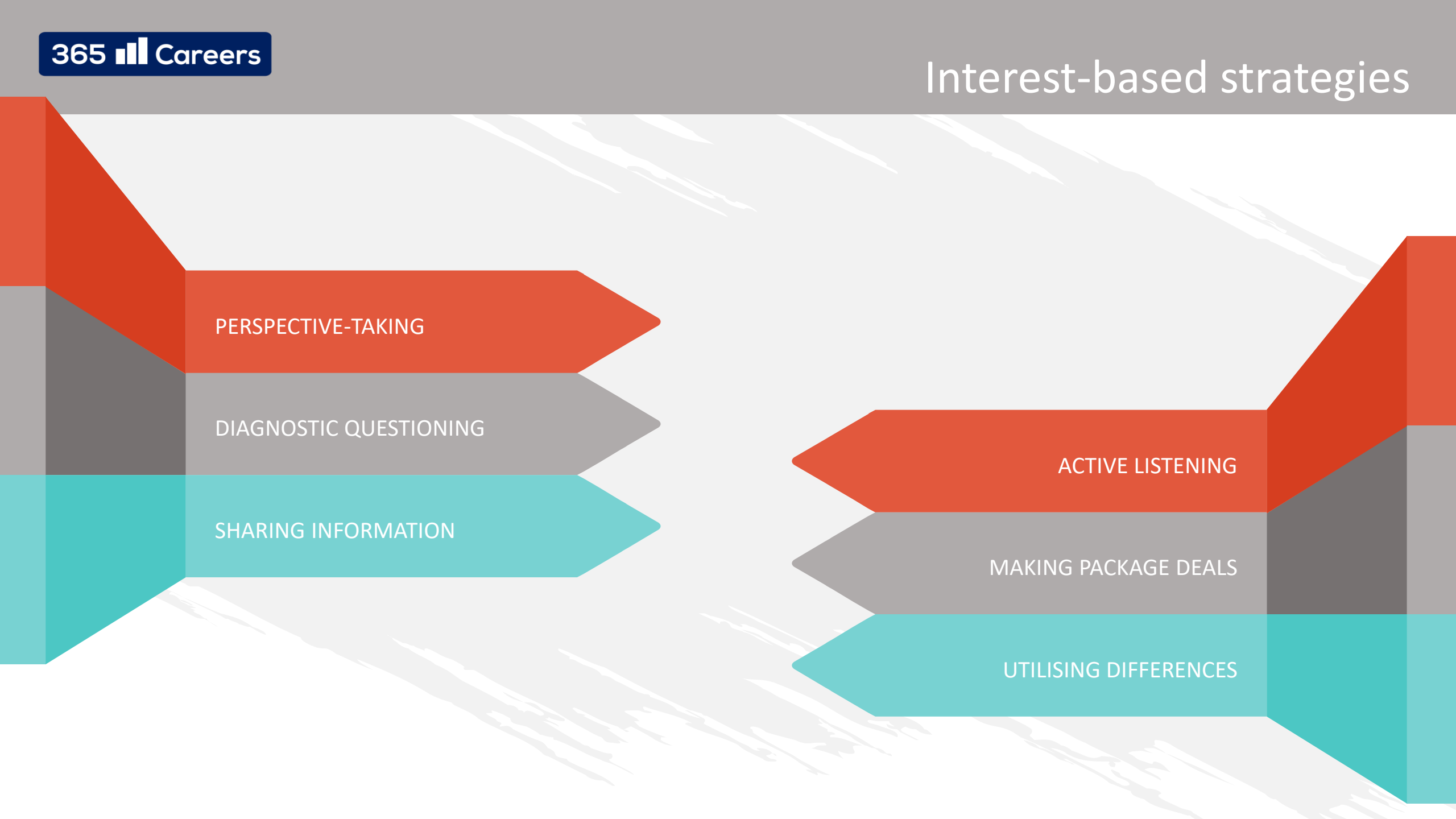
Once defined, the shared interests become real opportunities and goals all parties strive to achieve

### REACH A WIN-WIN

Find an outcome that is mutually beneficial



# Interest-based strategies



PERSPECTIVE-TAKING

DIAGNOSTIC QUESTIONING

SHARING INFORMATION

ACTIVE LISTENING

MAKING PACKAGE DEALS

UTILISING DIFFERENCES

# Choosing the correct negotiation style



# Adverse tactics and preventing them

## Tactic

HIGHBALL / LOWBALL

BOGEY

AVALANCHE / SNOWBALL

NIBBLE

PRETEND AUTHORITY

## Prevention

Make sure you have done your research in advance, and call the move

Have them justify why they switched positions so rapidly

Be consistent and specific in your stance, make them clarify what is substantial to the negotiations

Be candid in the beginning and create a roadmap of the issues you want to discuss; ask your opponent to follow your lead

Refuse to continue the negotiations until you meet with someone at an adequate rank





# Trust-building and trust-fixing techniques

## Building trust

Use your network

Bond **before** the negotiations begin

Set trust expectation ground rules

Gain their favour / build rapport

Give them a fair amount of your time

## Fixing trust

01

Let them know you understand something is wrong

02

Gain perspective and discover the precise point the trust was broken

03

Admit you recognise **this** event as the “Destroyer of Trusts”

04

Admit fault and accept responsibility for breaking the trust

05

Offer to make amends and compensate for the violation of the relationship

# Mediums of communication

